

MICHIGAN NATURAL RESOURCES TRUST FUND

BOARD OF TRUSTEES MEETING

Minutes of December 10, 2003
Clarion Hotel and Conference Center, 3600 Dunckel Drive, Lansing

The meeting of the Michigan Natural Resources Trust Fund (MNRTF) Board of Trustees commenced at approximately 9:10 A.M.

The following Board members were present:

Steven Arwood
David Dempsey
Bob Garner
Jim Thompson
Sam Washington

Acting Chairperson Thompson introduced and welcomed Mr. David Dempsey, who was recently appointed to the MNRTF Board.

I. ADOPTION OF MINUTES.

Acting Chairperson Thompson called for the adoption of the September 10, 2003 and October 15, 2003 Board meetings minutes.

MOVED BY MR. DEMPSEY, SUPPORTED BY MR. WASHINGTON, TO APPROVE THE MINUTES OF THE SEPTEMBER 10, 2003 AND OCTOBER 15, 2003 MNRTF BOARD MEETINGS. PASSED.

II. PUBLIC APPEARANCES.

Senator Tony Stamas and Representative Dale Sheltrown – 03-205, Holiday Inn Property Acquisition and 03-047, Rice Waterfront Acquisition Project, City of East Tawas.

Senator Tony Stamas made a presentation in support of the City of East Tawas' acquisition projects. He urged the Board to consider funding for these projects.

Representative Dale Sheltrown provided a handout regarding a study that was done on Bovine TB in northeast Michigan. He stated that it is estimated that the annual loss of tourism in northeast Michigan attributable to Bovine TB is about \$25 million. These acquisition projects will help to improve tourism not only in East Tawas, but in the surrounding areas.

Mr. Washington asked of the two projects the City has submitted, which one is the most critical. Representative Sheltrown responded the Holiday Inn Property Acquisition (03-205) would be the most critical.

Senator James Barcia – 03-205, Holiday Inn Property Acquisition and 03-047, Rice Waterfront Acquisition Project, City of East Tawas.

Senator James Barcia made a presentation in support of the two acquisition projects submitted by the City of East Tawas. Although he does not serve Iosco County at the present time, he did represent this area as a Congressman. These projects are very important for access to Lake Huron by recreational boaters and fishermen/women. The Lake Huron shoreline in Tawas and East Tawas is a destination for many tourists throughout Michigan and the Midwest. Senator Barcia urged the MNRTF Board to support funding for these projects.

Senator Barcia expressed his support for the conversion request for TF90-002, Gagetown State Game Area, submitted by the DNR's Wildlife Division. This conversion involves the Friends of the Thumb Octagon Barn project. This project preserves a part of Michigan's agricultural heritage and is a great destination point for tourists.

Senator Patricia Birkholz – 03-115, Old Harbor Natural Area (Denison South) Acquisition, City of Saugatuck.

Senator Patricia Birkholz made a presentation in support of 03-115, Old Harbor Natural Area (Denison South) Acquisition, City of Saugatuck. She advised the Board of a new development that has arisen regarding the Denison property. The property owners have sent a letter indicating their willingness to sell both the north and south properties to the public. Senator Birkholz also stated that she had a letter from the Corps of Engineers, who met with her and have allocated \$1.2 million improvements to the Saugatuck pier structures with the understanding that the grant is awarded to begin the process of opening the property to public access.

Senator Birkholz advised the Board that the Saugatuck "Save Our Shoreline" campaign has raised over \$2 million toward the City's \$5 million match for the grant. Another \$1 million has been received in a "challenge grant" and the West Michigan business leaders have offered \$1 million and will assist the City in obtaining another \$1 million.

Senator Birkholz further stated that there is \$2.5 million in a Congressional bill. There is support for this with Michigan's Senate and Congressional delegation.

Senator Birkholz also stated that the City would be willing to have the grant "phased" over a two- or three-year time period. She also expressed the fact her district has suffered economic losses over the years and this project would address the tourism needs and opportunities in the area.

Mr. Washington asked if it was a "firm deal" as far as the selling price of the property from the Denison family. Senator Birkholz responded that they have designated the dollar amount and put it in writing. Mr. Gordon Gallagher, City Manager, City of Saugatuck, also added that the City is still trying to get the family to come down on the selling price of the property.

Mr. Washington asked if the Denison family has given the City a "drop dead" date for acquiring the property. Mr. Gallagher responded no. Mr. Washington asked if the property were not approved for funding this year, would the property still be available next year. Mr. Gallagher responded that he did not know and would have to defer that question to Julie Stoneman of the Land Conservancy of West Michigan. The City is working as hard as they can to complete a deal.

Mr. Arwood stated that he has a concern whether a deal for this acquisition is close to being completed. Mr. Gallagher responded that the City would be willing to accept a partial funding. Mr. Arwood asked when the City has to spend the Corps of Engineers money. Senator Birkholz responded by September 30, 2004. Mr. Arwood asked if this had to be matched. Senator Birkholz responded no, it is money specifically targeted for the piers to provide public access. Mr. Arwood asked what level of effort does the Corps need to see in order for the City to get this grant money. Senator Birkholz responded that the Corps wanted to know that the City has a commitment from the Trust Fund.

Mr. Washington asked if the Trust Fund were to give the City part of the money, would there be a way to seek additional funds elsewhere to make up the difference. Mr. Gallagher responded that the City and its partners are seeking to raise as much money as possible for this acquisition. Donations would continue to be sought. The City is committed to this project. Senator Birkholz added that donations for this project have been coming in from outside the area, as well.

Mr. Washington stated that he, as well as other Board members, has a problem with “phasing” projects for funding. This commits Trust Funds for a period of years, and denies other potential applicants the opportunity to receive funding. He further mentioned that, although not for this particular project, there are major Payment in Lieu of Taxes (PILT) obligations. Senator Birkholz stated that both she and Senator McManus have made a commitment to the Governor’s office and the Majority Leader that the PILT problem will be resolved.

Senator Birkholz added that there are no other prime, undeveloped duneland on Lake Michigan property available. This property needs to be preserved for future generations.

Mr. Dempsey asked what population is going to be served by this project. Mr. Gallagher responded that in the original application, the City of Saugatuck was the lead agency for the project. The permanent population is just over 1,000 people. Some additional information was provided, specifically identifying Allegan County as a project partner. If the County had been the applicant, there would have been listed 125,000 served. If you look at just the population of the City of Saugatuck, that figure is unrealistic as to the population served.

Mr. Dempsey asked Mr. James Wood, Chief, Grants, Contracts and Customer Systems, DNR, if he could answer how the population figures would affect the ranking of the project. Mr. Wood responded that he could not specifically address the population score at this time.

Discussion ensued on PILT. Mr. Garner expressed the fact that it is stated in the language of the Act that the MNRTF will pay PILT. He is not sure that the Legislature can resolve the PILT issue as far as the MNRTF’s obligations.

Mr. Ron Leslie, City Manager; Mr. Keith Frank, Parks and Recreation Manager; and Mr. Robert W. Elliott, Jr., Mayor, City of East Tawas – 03-047, Rice Waterfront Acquisition Project and 03-205, Holiday Inn Property Acquisition.-

Mr. Ron Leslie, City Manager for the City of East Tawas, made a presentation in support of 03-047, Rice Waterfront Acquisition and 03-205, Holiday Inn Property Acquisition.

The Rice Waterfront property is .27 acres of frontage on Lake Huron’s Tawas Bay and would provide beach access and an open site for public recreation.

The Holiday Inn property is .75 acres located in East Tawas' Newman Street Waterfront Area, which is adjacent to and bordering on the East Tawas Harbor of Refuge and next to the City Park campground.

Mayor Robert Elliott also stated that the Holiday Inn property will make the view of the harbor, as well as the dock, visible for motorists and boaters. The existing parking lot adjacent to the dock was donated by the City to the DNR. This property is contiguous to the parking lot. In addition, the parking lot next to the boat ramp was donated by the City to the DNR.

Mr. Keith Frank stated that this property is vital to the community. Within the past four years, the City of East Tawas, in partnership with the MNRTF and Waterways Commission, has spent over \$850,000 in developing access to the harbor. The Holiday Inn property is the final piece of available property within the harbor.

Mr. Fred Brown, City Administrator, City of Carson City – 03-138, Riverfront Park Development.

Mr. Fred Brown, City Administrator for the City of Carson City, made a presentation in support of the Riverfront Park Development project. The project would connect two adjoining parks by constructing a bridge over Fish Creek, as well as provide walking trails, boardwalks, decks, parking areas, play equipment and a multi-use court area.

The adjoining park that the City is developing is next to a refinery that was torn down. The Department of Environmental Quality (DEQ) has been contacted and they have no problems. DEQ is doing some test wells in the area.

Mr. Robert Bennett, Parks Committee, Onekama Township – 03-165, North Point Park.

Mr. Robert Bennett, representing Onekama Township, made a presentation in support of the North Point Park project. This project would be to create a new 60-acre park with a nature trail and community building near Portage Lake for wildlife habitat preservation and public recreation and study. The Township has been working to seek funding for this project for three years. The amount of the grant would be \$224,000. The Township has put aside \$68,000 for the project.

Mr. Bennett further stated that he is very disappointed that the Township has again not been recommended for funding.

Mr. Cale Sauter, Assistant to Speaker Rick Johnson – 03-013, CASA All-Sports Park and Natural Recreation Area, Wexford County.

Mr. Cale Sauter, Assistant to Speaker Rick Johnson, made a presentation in support of the CASA All-Sports Park and Natural Recreation Area project. This project would provide additional amenities for five baseball/softball fields and the installation of two pedestrian bridges over the Clam River. This project was submitted for funding last year, and was not successful. Approximately \$234,000 has been raised towards the match for the project.

This project would provide activities for the entire family. The Speaker wanted to emphasize that this project would provide such activities.

Mr. Tom Bailey, Executive Director, Little Traverse Conservancy.

Mr. Tom Bailey, Executive Director of Little Traverse Conservancy, wanted to reiterate to the Board that the Conservancy is ready to hold land in trust for the State of Michigan. The Conservancy is incorporated under a law that was enacted in Michigan in 1911, which allows the creation of organizations to hold land in trust for the public. As the PILT issue has become a problem over the past couple of years, the Conservancy's tax exemptions have been reaffirmed in several different forums. It is possible to capitalize on opportunities to acquire land without mortgaging the Trust Fund to the PILT issue.

Mr. Bailey welcomed Mr. Dempsey to the Board.

Mr. Bailey also stated that the Conservancy's land proposals are very carefully screened. In addition, they make themselves available to provide consulting services to all local units of government, such as applying for and filling out grant applications. Free education programs are offered to all school districts in the area and busing costs are reimbursed.

Mr. Joe Anderson, Whitewater Township – 03-206, Battle Creek Natural Area.

Mr. Joe Anderson provided a power point presentation in support of the 03-206, Battle Creek Natural Area project which has been submitted for possible funding. The Township has an extensive amount of natural resources, which includes the Jordan River, Abraham Lincoln Memorial Forest and Sand Lakes Quiet Area. The Township is committed to preserving natural resources.

The Battle Creek Natural Area is in the northern portion of the Township. The acquisition consists of 500 acres, one-half mile of frontage along Elk Lake, and two miles of trout stream. This property would also provide for additional public hunting and active and passive recreation opportunities. The majority of the property has been designated as a DNR winter deeryard.

Mr. Anderson further stated that this property includes a 40-acre which is currently owned by the Grand Traverse Regional Land Conservancy. If this project is approved, the Conservancy will contribute this property to the natural area.

Mr. Scott Hladki, Supervisor; and Rick Stout, Engineer, Dalton Township – 03-207, Beegle Field Acquisition.

Mr. Scott Hladki, Supervisor of Dalton Township, made a presentation in support of 03-207, Beegle Field Acquisition. This project would be to acquire an additional 4.33 acres adjacent to the existing township park. The existing park has two soccer fields, baseball field, and basketball court. The grant amount being requested is \$30,000.

This acquisition will be developed to include a parking lot, bandshell and a trailhead.

Mr. Stout stated that this is the only recreational facility in the Township. There has been discussion of the property being subdivided for residential use.

Ms. Marti Alston, Grants Coordinator; and Ms. Rosemary Edwards, Landscape Architect, City of Detroit Recreation Department – 03-109, Belle Isle/Palmer Park Improvements.

Ms. Marti Alston, Grants Coordinator, City of Detroit Recreation Department, made a presentation in support of 03-109, Belle Isle/Palmer Park Improvements. Belle Isle and Palmer Parks not only provide sports fields and playgrounds, but give visitors the opportunity to observe wildlife, fish, boating, walk through old growth forests and to spot unique and threatened animals species.

Proposed improvements for the project include restroom and picnic facilities. These improvements would significantly help draw visitors to the parks. There are no restroom facilities at Belle Isle Park.

Ms. Alston further outlined the project sites via a map.

Mr. Arwood asked if the City of Detroit had recently received some federal money for Belle Isle. Ms. Alston responded that the City received UPARR and Department of Environmental Quality funds.

Ms. Rosemary Edwards further pointed out aspects of the existing comfort station that would be renovated and location of the walkways. The picnic shelter located at Palmer Park is heavily used.

Mr. Washington asked if renovations could be made separately between the two parks. Ms. Edwards responded yes. Mr. Washington also asked what the division in project costs are between Belle Isle and Palmer Parks. Ms. Edwards responded the project cost for Belle Isle Park would be \$450,000 and \$203,000 for Palmer Park.

MOVED BY MR. WASHINGTON, SUPPORTED BY MR. ARWOOD, TO AMEND THE AGENDA BY MOVING TO “V. NEW BUSINESS, #3 – 2003 MNRTF ACQUISITION AND DEVELOPMENT APPLICATIONS.” PASSED.

V. NEW BUSINESS.

3. 2003 MNRTF Acquisition and Development Applications – STAFF RECOMMENDATIONS AND BOARD APPROVAL.

At this point, the Board discussed the Small Acquisition Grants Initiative (SAGI) acquisition projects. These include twelve projects totaling \$562,749.

MOVED BY MR. ARWOOD, SUPPORTED BY MR. GARNER TO ADOPT FOR DISCUSSION STAFF RECOMMENDATIONS FOR ACQUISITION PROJECTS AND SMALL ACQUISITION GRANTS INITIATIVE (SAGI) PROJECTS.

MOVED BY MR. ARWOOD, SUPPORTED BY MR. GARNER TO ADOPT THE SMALL ACQUISITION GRANTS INITIATIVE (SAGI) PROJECTS WITHOUT CHANGE. PASSED.

Mr. Washington read the Board-approved SAGI projects into the record. They are as follows:

- 03-143, Wales Township Park Land Acquisition, Wales Township - \$74,240
- 03-070, Drenthe Grove Park Expansion, Zeeland Township - \$80,375
- 03-166, Acquisition of 8 Acres of Iron River Frontage, City of Caspian - \$13,320
- 03-208, Water's Edge Park Acquisition, DeWitt Township - \$54,945
- 03-207, Beegle Field Acquisition, Dalton Township - \$30,000
- 03-203, Coy Mountain Preserve Acquisition, Helena Township - \$92,376
- 03-210, Recreation Trail, City of Ironwood - \$6,873
- 03-158, Electric Park Land Acquisition, Osceola Township - \$27,000
- 03-063, Tuscola Township Park Land Acquisition, Tuscola Township - \$30,000
- 03-001, Sebewaing Park Project, Village of Sebewaing - \$36,480
- 03-126, Sewage Lagoon and Railroad Grade Property, Dickinson County - \$20,676
- 03-047, Rice Waterfront Acquisition Project, City of East Tawas - \$96,464

MOVED BY MR. ARWOOD, SUPPORTED BY MR. WASHINGTON, TO TEMPORARILY SUSPEND DISCUSSION ON ACQUISITION PROJECTS AND MOVE ON TO DISCUSSION OF DEVELOPMENT PROJECTS.

MOVED BY MR. ARWOOD, SUPPORTED BY MR. WASHINGTON, TO ADOPT FOR DISCUSSION STAFF RECOMMENDATIONS FOR DEVELOPMENT PROJECTS.

MOVED BY MR. ARWOOD, SUPPORTED BY MR. GARNER, TO APPROVE STAFF RECOMMENDATIONS FOR DEVELOPMENT PROJECTS, AS PRESENTED, WITH THE FOLLOWING AMENDMENTS: DELETE 03-178, DNR, FISHERIES; REDUCE GRANT AMOUNT REQUESTED FOR 03-106, CITY OF LANSING, TO \$226,500; AND REDUCE GRANT AMOUNT REQUESTED FOR 03-109, CITY OF DETROIT, TO \$250,000. MR. WASHINGTON CONTINUED THE MOTION BY ADDING 03-013, WEXFORD COUNTY, IN THE AMOUNT OF \$300,000; 03-065, CITY OF GAYLORD, IN THE AMOUNT OF \$318,060; AND INCLUDE AN ADDITIONAL \$72,000 TO 03-109, CITY OF DETROIT, NOW MAKING THE GRANT AMOUNT \$322,000. PASSED.

The following development projects were approved by the Board:

- 03-064, Grayling River Park Development, City of Grayling - \$348,975
- 03-068, Coldwater Lake Park Development, Isabella County - \$211,556
- 03-042, Central Area Rural Preserve, Phase I, Pittsfield Township - \$340,780
- 03-003, Cartier Park Fishing Pier Installation, City of Ludington - \$82,500
- 03-023, Hudson Mills Metropark Hike/Bike Trail, HCMA - \$361,000
- 03-024, McQuisten Park Boardwalk and Fishing Pier, Munising Township - \$134,717
- 03-026, Lakeshore Park Restroom Facility, Calumet Township - \$42,000
- 03-160, Barnes Park Improvements, Antrim County - \$160,155
- 03-107, Bailey Park Improvements, City of Battle Creek - \$229,266
- 03-095, Rogue River Trail Network Development, City of Rockford - \$118,195
- 03-137, Township Park and Preserve Development, Chikaming Township - \$193,244
- 03-114, North Hydro Park Development, Ypsilanti Township - \$432,729
- 03-092, E. L. Johnson Nature Center/Visitors Center, Bloomfield Hills Schools - \$475,000
- 03-175, Lake Michigan Beach Park Restoration, City of Frankfort - \$92,000

- 03-116, Sherman Park Beach Accessibility/Upgrade, City of Sault Ste. Marie - \$198,250
- 03-033, Brower Park Marina Bathhouse, Mecosta County - \$90,000
- 03-119, Saginaw Valley Rail Trail, Saginaw County - \$493,000
- 03-079, Civic Center South, Village of Kingsley - \$125,000
- 03-014, Block 58 Lakeshore Park Improvement, City of North Muskegon - \$208,000
- 03-034, Crystal Valley Park, Oceana County - \$99,823
- 03-106, River Trail South Extension, City of Lansing - \$226,500
- 03-109, Belle Isle/Palmer Park Improvements, City of Detroit - \$322,000
- 03-013, CASA All-Sports Park and Natural Recreation Area, Wexford County - \$300,000
- 03-065, Freel/Doumas Park Renovation, City of Gaylord - \$318,060

Discussion resumed on acquisition projects recommended by staff. Mr. Garner stated that he has a problem with the Board making long-term commitments on high priced acquisition projects. He wondered if it would be better to just fund a project and get it over with and not “mortgage” future years’ funding. He feels the Board should take a look at this issue.

Mr. Washington expressed the fact that there have been many “once in a lifetime” projects presented. The Board could set an acquisition project limit of perhaps \$10 million, and then make a commitment not to approve extended grants beyond that amount. He has a problem tying up the Trust Fund with two or three “phased” projects.

Mr. Dempsey stated that he hopes a policy is in place regarding a cap for phasing acquisition projects for the 2004 funding cycle. He is not comfortable with the action this year.

Mr. Arwood stated that he is supportive of a cap, project match, and capping certain high cost projects at certain levels.

Mr. Washington responded that he would like to know how grant applicants feel about phasing, capping, etc. He wondered if the citizens of the State of Michigan would like to see a couple of big grants or a lot of smaller acquisition projects funded per funding cycle.

Mr. Arwood stated he will not support any staff recommended DNR acquisition project that has PILT payments attached to the property.

Acquisition projects were discussed and approved with individual motions.

**MOVED BY MR. GARNER, SUPPORTED BY MR. ARWOOD, TO APPROVE
03-184, KAMEHAMEHA SCHOOLS LAND PROJECT-PHASE II, DNR, FOREST,
MINERAL AND FIRE MANAGEMENT, IN THE AMOUNT OF \$3,000,000. PASSED.**

Mr. Arwood asked why 03-195, Denison Tract North, DNR, Parks and Recreation, was being deferred for funding for this cycle. Mr. George Burgoyne, Resource Management Deputy, DNR, responded that this was discussed at the last Board meeting. The Board was informed that this project would be deferred because of ongoing negotiations. Mr. Arwood is not in favor of “deferring” projects. Mr. Wood added that all phased projects are required to submit an application for the next funding cycle and requires approval by the Board each year.

MOVED BY MR. GARNER, SUPPORTED BY MR. WASHINGTON, TO APPROVE 03-194, VARIOUS STATE PARK ACQUISITIONS, DNR, PARKS AND RECREATION, IN THE AMOUNT OF \$500,000 (ORIGINAL GRANT REQUEST \$600,000). MR. ARWOOD VOTED NO. PASSED.

MOVED BY MR. DEMPSEY, SUPPORTED BY MR. GARNER, TO APPROVE 03-209, CMS ARCADIA/GREEN POINT DUNES, DNR, EXECUTIVE OFFICE, IN THE AMOUNT OF \$4,000,000 (ORIGINAL GRANT REQUEST \$4,500,000). PASSED.

MOVED BY MR. GARNER, SUPPORTED BY MR. WASHINGTON, TO APPROVE 03-198, WILDLIFE AREA LUMP SUM ACQUISITIONS, DNR, WILDLIFE, IN THE AMOUNT OF \$600,000. TWO NO VOTES. MOTION NOT PASSED.

MOVED BY MR. GARNER, SUPPORTED BY MR. DEMPSEY, TO APPROVE 03-198, WILDLIFE AREA LUMP SUM ACQUISITIONS, DNR, WILDLIFE, IN THE LESSER AMOUNT OF \$450,000. MR. ARWOOD VOTED NO. PASSED.

MOVED BY MR. GARNER, SUPPORTED BY MR. WASHINGTON, TO APPROVE 03-199, UPPER PENINSULA DEER HABITAT ACQUISITIONS, DNR, WILDLIFE, IN THE AMOUNT OF \$1,500,000. MR. ARWOOD VOTED NO. PASSED.

MOVED BY MR. DEMPSEY, SUPPORTED BY MR. GARNER, TO DISCUSS 03-197, SOUTHERN MICHIGAN WETLAND INITIATIVE, DNR, WILDLIFE.

Mr. Dempsey wanted to know more information relating to the wetland initiative. DNR staff responded that this is an effort to secure funding to target inholdings adjacent to State Wildlife and Game Areas that have a wetland focus. There are also federal monies from the North America Wetland Conservation Act and Coastal grants. The DNR has been successful in acquiring some of this grant money. Mr. Dempsey asked if some of these projects have been executed. Staff responded nothing has been done in this grant proposal, but identified projects where other funding had been obtained.

MOVED BY MR. DEMPSEY, SUPPORTED BY MR. GARNER, TO APPROVE 03-197, SOUTHERN MICHIGAN WETLAND INITIATIVE, DNR, WILDLIFE, IN THE AMOUNT OF \$600,000. MR. ARWOOD VOTED NO. PASSED.

MOVED BY MR. WASHINGTON, SUPPORTED BY MR. ARWOOD, TO DISCUSS 03-177, FISHERIES DIVISION LUMP SUM, DNR, FISHERIES.

Mr. Washington suggested that 03-177 be reduced to \$250,000.

MOVED BY MR. WASHINGTON, SUPPORTED, BY MR. GARNER, TO APPROVE 03-177, FISHERIES LUMP DIVISION SUM, DNR, FISHERIES, IN THE AMOUNT OF \$250,000 (ORIGINAL GRANT REQUEST \$500,000). MR. ARWOOD VOTED NO. PASSED.

MOVED BY MR. DEMPSEY, SUPPORTED BY MR. WASHINGTON, TO APPROVE 03-125, SENECA LAKE TOWNSHIP PARK AND RECREATION AREA, ALLOUEZ TOWNSHIP, IN THE AMOUNT OF \$175,500. PASSED.

MOVED BY MR. GARNER, SUPPORTED BY MR. DEMPSEY, TO APPROVE 03-186, STATE FOREST LUMP SUM, DNR, FOREST, MINERAL AND FIRE MANAGEMENT, IN THE AMOUNT OF \$600,000. TWO NO VOTES. MOTION NOT PASSED.

MOVED BY MR. GARNER, SUPPORTED BY MR. DEMPSEY, TO APPROVE 03-186, STATE FOREST LUMP SUM, DNR, FOREST, MINERAL AND FIRE MANAGEMENT, IN THE AMOUNT OF \$500,000. MOTION AMENDED BY MR. WASHINGTON TO APPROVE IN THE AMOUNT OF \$300,000. MR. ARWOOD VOTED NO. PASSED.

MOVED BY MR. GARNER, SUPPORTED BY MR. WASHINGTON, TO APPROVE 03-206, BATTLE CREEK NATURAL AREA, WHITEWATER TOWNSHIP, IN THE AMOUNT OF \$1,860,550. PASSED.

MOVED BY MR. ARWOOD, SUPPORTED BY MR. GARNER, TO APPROVE 03-146, CONNOR BAYOU ACQUISITION, OTTAWA COUNTY, IN THE AMOUNT OF \$823,000. PASSED.

MOVED BY MR. WASHINGTON, SUPPORTED BY MR. GARNER, TO APPROVE 03-129, LAKE HURON SHORELINE ACQUISITION, ST. CLAIR COUNTY, IN THE AMOUNT OF \$2,312,500. PASSED.

MOVED BY MR. ARWOOD, SUPPORTED BY MR. GARNER, TO APPROVE 03-015, PARKWAY NATURE PRESERVE, HARRISON TOWNSHIP, IN THE AMOUNT OF \$555,000. PASSED.

MOVED BY MR. DEMPSEY, SUPPORTED BY MR. GARNER, TO DISCUSS 03-115, OLD HARBOR NATURAL AREA (DENISON SOUTH) ACQUISITION, CITY OF SAUGATUCK.

Mr. Washington asked if the City of Saugatuck was awarded a portion of the grant request, what would this accomplish towards acquisition of the property. A representative from the City of Saugatuck responded that approving any portion of the grant would allow for more fund-raising efforts. Mr. Washington wondered if the City would be able to continue with the acquisition if the Trust Fund did not approve the whole amount requested. The response from the City was they were unsure at this point.

Discussion ensued on the Denison South acquisition project, relating to phasing. Mr. Wood stated that if the Board makes a commitment to phase an acquisition project, according to the MNRTF procedures, the project would automatically be moved to the top of the list each funding cycle year. If the City of Saugatuck is granted a partial funding amount for the project this year, and offering no commitment in future years, after legislative approval the City would be issued a project agreement based on that specific amount approved by the Board.

Mr. Washington stated he understands what the City of Saugatuck is trying to achieve with this acquisition, and he strongly supports it; however, the MNRTF only has a limited amount of funds for all projects.

MOVED BY MR. DEMPSEY, SUPPORTED BY MR. GARNER, TO APPROVE 03-115, OLD HARBOR NATURAL AREA (DENISON SOUTH) ACQUISITION, CITY OF SAUGATUCK, IN THE AMOUNT OF \$900,000. THIS WILL NOT BE A PHASED PROJECT, AND IT WILL BE NECESSARY FOR THE CITY TO SUBMIT AN APPLICATION FOR THE 2004 FUNDING CYCLE FOR POSSIBLE FUNDING. PASSED.

MOVED BY MR. GARNER, SUPPORTED BY MR. ARWOOD, TO APPROVE 03-130, DODGE PARK #5 ACQUISITION, COMMERCE TOWNSHIP, IN THE AMOUNT OF \$250,000. PASSED.

MOVED BY MR. ARWOOD, SUPPORTED BY MR. GARNER, TO APPROVE STAFF RECOMMENDATIONS FOR ACQUISITION PROJECTS, AS AMENDED. PASSED.

The following acquisition projects were approved by the Board:

- 03-184, Kamehameha Schools Land Project-Phase II, DNR, Forest Mineral and Fire Management - \$3,000,000
- 03-194, Various State Park Acquisitions, DNR Parks and Recreation - \$500,000
- 03-209, CMS Arcadia/Green Point Dunes, DNR, Executive - \$4,000,000
- 03-198, Wildlife Area Lump Sum Acquisitions, DNR, Wildlife - \$450,000
- 03-199, Upper Peninsula Deer Habitat Acquisition, DNR, Wildlife - \$1,500,000
- 03-197, Southern Michigan Wetland Initiative, DNR, Wildlife - \$600,000
- 03-177, Fisheries Division Lump Sum, DNR, Fisheries - \$250,000
- 03-125, Seneca Lake Township Park and Recreation Area, Allouez Township - \$175,500
- 03-186, State Forest Lump Sum, DNR, Forest, Mineral and Fire Management - \$300,000
- 03-206, Battle Creek Natural Area, Whitewater Township - \$1,860,550
- 03-146, Connor Bayou Acquisition, Ottawa County - \$823,000
- 03-129, Lake Huron Shoreline Acquisition, St. Clair County - \$2,312,500
- 03-015, Parkway Nature Preserve, Harrison Township - \$555,000
- 03-115, Old Harbor Natural Area (Denison South) Acquisition, City of Saugatuck - \$900,000
- 03-130, Dodge Park #5 Acquisition, Commerce Township - \$250,000

MOVED BY MR. WASHINGTON, SUPPORTED BY MR. ARWOOD, TO RETURN TO "OLD BUSINESS" ON THE AGENDA. PASSED.

OLD BUSINESS.

TF02-220, Boardman Nature Education Reserve Expansion, Garfield Township – PROJECT CHANGE REQUEST.

Mr. Wood outlined TF02-220, Boardman Nature Education Reserve Expansion, Garfield Township. This is a request for a project change from the Township that was presented to the Board at their October meeting. Due to a lack of a quorum, this request was carried over to the December meeting for action.

Mr. Wood stated that this request has been slightly modified from the original request. The Township had requested deleting a parcel and the addition of another parcel. Since the October meeting, the Township has modified the request that all of the original project parcels remain and the additional parcel be added to the project boundary.

MOVED BY MR. ARWOOD, SUPPORTED BY MR. GARNER, TO APPROVE THE PROJECT CHANGE REQUEST FOR TF02-220, BOARDMAN NATURE EDUCATION RESERVE EXPANSION, GARFIELD TOWNSHIP. PASSED.

TF90-002, Gagetown State Game Area, DNR, Wildlife Division – CONVERSION REQUEST.

Mr. Wood outlined TF90-002, Gagetown State Game Area. This is a request for a conversion from DNR's Wildlife Division that was presented to the Board at their October meeting. Due to a lack of a quorum, this request was carried over to the December meeting for action.

MOVED BY MR. ARWOOD, SUPPORTED BY MR. GARNER, TO APPROVE THE PROJECT CONVERSION FOR TF90-002, GAGETOWN STATE GAME AREA, DNR, WILDLIFE DIVISION. PASSED.

2004 Meeting Schedule.

Mr. Wood outlined the 2004 Board meeting schedule. This was presented to the Board at their October meeting. Due to a lack of a quorum, this request was carried over to the December meeting for action.

MOVED BY MR. GARNER, SUPPORTED BY MR. ARWOOD, TO APPROVE THE 2004 BOARD MEETING DATES, WHICH ARE AS FOLLOWS: FEBRUARY 4, APRIL 21, JUNE 16, AUGUST 18, OCTOBER 13 AND DECEMBER 8. PASSED.

Mr. Arwood has a concern regarding holding the Lansing-based meetings in the Mason Building. He is concerned about the room size, and wondered if the Mason Building had an adequately sized room to fit a large group. Mr. Wood responded that the Natural Resources Commission meets in a conference area located on the 7th floor of the Mason Building. This is the area being proposed for the MNRTF Board meetings.

Mr. Garner commented that because of security reasons, it is difficult to get in the Mason Building. Mr. Arwood and Mr. Washington also mentioned that parking was an issue. Mr. Garner further stated that the Board meetings must be accessible to the public.

MOVED BY MR. WASHINGTON, SUPPORTED BY MR. DEMPSEY, THAT THE LANSING-BASED 2004 MNRTF BOARD MEETINGS WILL NOT BE HELD IN THE STEVENS T. MASON BUILDING, AS ORIGINALLY PROPOSED BY STAFF, BUT WILL BE LOCATED IN OTHER FACILITIES IN LANSING FOR EASIER ACCESS TO THE PUBLIC. PASSED.

IV. STATUS REPORT.

Real Estate Report.

Mr. Wood advised the Board that all DNR division lump sum balances have been committed under purchase options.

Revenue and Interest Report.

Mr. Wood outlined the revenue and interest report (pink paper). The report summarizes the finances for the fiscal year ending September 30, 2003.

Mr. Washington wanted to know why the "State Rent" went from \$12,000 to \$62,500 in one year. Mr. Burgoyne responded that it the result of an Executive Order to reduce General Fund. Rent was previously paid under General Fund, and is now being subsidized by respective funding sources where staff is located.

Mr. Washington asked how the MNRTF's share of the database rewrite (\$986,900) is calculated. Mr. Wood responded that it is proportionately allocated to people serviced by the use of the database. The Board has had presentation on the database in the past, and if they wish, Mr. Wood can arrange to have another presentation.

Mr. Arwood stated that at the last database presentation, the Board asked to get a full accounting and when this expenditure was going to end. The response received at that time was that staff would have to talk to the Department of Information and Technology (DIT). The Board then made the statement that DIT should be told that the MNRTF would not make any more payments. He was under the assumption that DIT was informed about this issue.

Mr. Arwood was also concerned about the higher amount of administrative expenditures charged to the MNRTF. Mr. Washington commented that he is concerned that the Board does not have a clear understanding of how these expenditures are figured and where they are going.

Acting Chairperson Thompson asked if there was any way the Board could get a detailed accounting of what the expenditures are. Mr. Wood responded that we will ask for more detail. Mr. Dempsey asked if we could request a detailed accounting from DIT. Mr. Wood responded that the DNR has requested this information, and has not received it.

It was suggested that a finance subcommittee of the MNRTF Board be established. Acting Chairperson Thompson asked Mr. Dempsey and Mr. Arwood to head up this committee to find out where and why the MNRTF expenditures identified on the revenue and interest report are being charged.

Lump Sum Report.

Mr. Wood outlined the lump sum report. The report indicates balances of property that has been optioned, but not yet purchased.

V. NEW BUSINESS (continued).

- 1) TF00-251, Pontiac Lake Recreation Area Shooting Range – DNR, Parks and Recreation Bureau – PROJECT CHANGE REQUEST.

Mr. Wood outlined the project change request for TF00-251, Pontiac Lake Recreation Area Shooting Range, DNR, Parks and Recreation Bureau. Parks and Recreation Bureau have proposed an alternate scope that would expend the balance of funds, yet still provide renovations to the shooting range.

The project change would be to allow a scope change to eliminate the concession/restroom/sales/storage building and sidewalk lighting, and add vault toilets, public address system, drinking fountains, sidewalk to rifle range, walkway to targets, additional parking and security lighting. The unexpended balance of the grant award will be returned to the MNRTF.

MOVED BY MR. ARWOOD, SUPPORTED BY MR. GARNER, TO APPROVE THE PROJECT CHANGE REQUEST FOR TF00-251, PONTIAC LAKE RECREATION AREA SHOOTING RANGE, DNR, PARKS AND RECREATION BUREAU, AS PRESENTED BY STAFF. PASSED.

- 2) Election of Chairperson for 2004.

MOVED BY MR. GARNER, SUPPORTED BY MR. WASHINGTON, TO ELECT MR. THOMPSON AS CHAIRPERSON FOR 2004. MOVED BY MR. GARNER, SUPPORTED BY MR. DEMPSEY, TO ELECT MR. WASHINGTON AS VICE-CHAIRPERSON. MOVED BY MR. WASHINGTON, SUPPORTED BY MR. GARNER, TO AMEND THE VICE-CHAIRPERSON APPOINTMENT TO MR. ARWOOD. PASSED.

VI. OTHER MATTERS AS ARE PROPERLY BROUGHT BEFORE THE BOARD.

None.

VII. ANNOUNCEMENTS.

The next meeting of the Michigan Natural Resources Trust Fund Board is scheduled for 9:00 A.M., Wednesday, February 4, 2004, Best Western Midway Hotel, 7711 W. Saginaw, Lansing, Michigan.

VIII. ADJOURNMENT.

**MOVED BY MR. GARNER, SUPPORTED BY MR. ARWOOD TO ADJOURN
THE MEETING. PASSED.**

The meeting was adjourned at 12:30 P.M.

Jim Thompson, Acting Chairperson
Michigan Natural Resources Trust Fund
Board of Trustees

James Wood, Chief
Grants, Contracts and Customer Systems
Administrative Services Bureau

DATE